World Bank and IMF conditionalities on concessional Loans

2736. SHRI MURLIDHAR CHANDRAKANT BHANDARE: Will the Minister of FINANCE be pleased to state:

(a) whether at the recent talks with IMF and World Bank it was made clear that concessional loans would be subject to conditionalities on military spending; and

(b) if so, what is the nature and extent of conditionalities contemplated?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RAMESHWAR THAKUR): (a) No, Sir.

(b) Does not arise.

Check in Malpractices by Bank officers

2737. SHRI S. MADHAVAN: Will the Minister of FINANCE be pleased to state:

(a) whether Government's attention has been drawn to the resolutions passed by the Tamil Nadu Unit of Indian National Bank Officers Congress suggesting some measures to curb the malpractices and misuse of public money by the top officers of the banks;

(b) if so, what action has been taken by Government thereon;

(c) whether there is any proposal to set up an independent high-level machinery to check such malpractices; and

(d) what steps have been taken by Government to curb the malpractices and misuse of public money by the Bank officers?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI DALBIR SINGH): (a) Indian Banks' Association has reported that the Tamil Nadu Unit of Indian National Bank Officers Congress in its Annual General Meeting held recently passed resolution suggesting inter-alia to set up a high level body to go into irregular advances to big borrowers and the involvement of bank executives.

(b) to (d) There is no proposal under consideration of the Government to set up an independent high-level machinery to check such malpractices. However, vigilance machinery is functioning in all the public sector banks. Government has decided to post Chief Vigilance Officer to a particular public sector bank on deputation from other banks. All cases of frauds in which bank officers are involved come under the purview of vigilance machinery. Vigilance cases of officers in Scale III and above are dealt with in consultation with Central Vigilance Commission. A Special Investigation Cell exists in RBI to investigate major frauds. The C.B.I. also has jurisdiction over such cases in banks. Reserve Bank of India has also issued guidelines to banks inter-alia advising them to strengthen the control mechanisms with a view to eliminating scope for malpractices.

Assistance to Sugar Factories by Financial Institutions

2738. SHRI S. MADHAVAN: Will the Minister of FINANCE be pleased to state:

(a) whether the applications for financial assistane from the sugar factories licensed between the years 1988 to 1991 are pending with the financial institutions and if so, what are the details in this regard;

(b) whether the financial institutions are reluctant to advance finances for setting up of new sugar factories on account of their non-viability; and

(c) if so, what steps are being taken to fund the sugar factories already licensed by Government?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI DALBIR SINGH): (a) The Industrial Development Bank of India (IDBI) has